



By:

S.B. No. 1102

A BILL TO BE ENTITLED

AN ACT

relating to the establishment of a program by the Department of Agriculture to make grants to farmers who provide agricultural biomass to facilities that convert biomass to energy.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Title 2, Agriculture Code, is amended by adding Chapter 22 to read as follows:

CHAPTER 22. AGRICULTURAL BIOMASS INCENTIVE PROGRAM

Sec. 22.001. DEFINITION. In this chapter, "qualified agricultural biomass" means agricultural residues that are of a type that historically have been burned in open fields in the area from which they are derived. The term:

(1) includes:

(A) field and seed crop residues, including straws from rice and wheat; and

(B) fruit and nut crop residues, including orchard and vineyard pruning and removals; and

(2) does not include urban and forest wood products.

Sec. 22.002. AGRICULTURAL BIOMASS GRANTS. (a) The department shall establish a program to make grants to farmers who provide agricultural biomass to facilities that convert biomass to energy to provide an incentive for the construction of facilities for that purpose to:

(1) promote economic development;

1           (2) encourage the use of renewable sources in the  
2 production of energy; and

3           (3) reduce air pollution caused by the burning of  
4 agricultural biomass in open fields.

5           (b) A farmer is entitled to receive a grant in the amount of  
6 \$10 for each green ton of qualified agricultural biomass provided  
7 by the farmer to a facility that:

8               (1) is located in this state;

9               (2) was constructed on or after June 30, 2005;

10              (3) converts qualified agricultural biomass to  
11 energy;

12              (4) uses the best available emissions control  
13 technology, considering the technical practicability and economic  
14 reasonableness of reducing or eliminating the air contaminant  
15 emissions resulting from the facility;

16              (5) maintains its emissions control equipment in good  
17 working order; and

18              (6) is in compliance with its operating permit issued  
19 by the Texas Commission on Environmental Quality under Chapter 382,  
20 Health and Safety Code.

21           (c) Notwithstanding Subsection (b), the commissioner by  
22 rule may authorize the making of a grant for providing a green ton  
23 of a type or source of qualified agricultural biomass in an amount  
24 that is greater than the amount provided by that subsection if the  
25 commissioner determines that a grant in a greater amount is  
26 necessary to provide an adequate incentive to convert that type or  
27 source of qualified agricultural biomass to energy.

1       (d) The Public Utility Commission of Texas and the Texas  
2 Commission on Environmental Quality shall assist the department as  
3 necessary to enable the department to determine whether a facility  
4 meets the requirements of this section for purposes of eligibility  
5 of farmers for grants under this chapter.

6       (e) To receive a grant under this chapter, a farmer must  
7 file an application with the department on a form prescribed by the  
8 department. The form must require the farmer to provide the  
9 information necessary to determine whether the farmer is entitled  
10 to receive a grant and the amount of the grant to which the farmer is  
11 entitled.

12       (f) The department shall provide for the distribution of  
13 grant money under this chapter to eligible farmers. Grant money  
14 must be distributed to eligible farmers in the order in which  
15 applications for the grants are received. The department shall  
16 make grants not less often than quarterly, subject to  
17 appropriations.

18       Sec. 22.003. RULES. The commissioner, in consultation with  
19 the Public Utility Commission of Texas and the Texas Commission on  
20 Environmental Quality, shall adopt rules to implement this chapter.

21       SECTION 2. (a) Not later than December 1, 2005, the  
22 commissioner of agriculture, in consultation with the Public  
23 Utility Commission of Texas and the Texas Commission on  
24 Environmental Quality, shall adopt rules to implement Chapter 22,  
25 Agriculture Code, as added by this Act.

26       (b) Beginning not later than January 1, 2006, the Department  
27 of Agriculture shall be prepared to make grants under Chapter 22,

1 Agriculture Code, as added by this Act, to farmers who provide  
2 qualified agricultural biomass to facilities that convert biomass  
3 to energy.

4 SECTION 3. This Act takes effect September 1, 2005.

## **BILL ANALYSIS**

Senate Research Center  
79R5710 SMH-D

S.B. 1102  
By: Jackson, Mike  
S/C on Agriculture & Coastal Resources  
3/30/2005  
As Filed

### **AUTHOR'S/SPONSOR'S STATEMENT OF INTENT**

There is no current Texas law regarding agricultural biomass. This legislation allows for incentives that are currently not available to farmers which allow certain types of viable energy production. It addresses the need for additional methods of renewable energy and works to free more landfill space and improve air pollution.

As proposed, S.B. 1102 establishes an incentive program for farmers who provide biomass to facilities that convert biomass to electrical energy. It gives farmers \$10 per dry ton of biomass that is suitable for use in generating energy.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the commissioner of agriculture in SECTION 1 (Sections 22.002 and 22.003, Agriculture Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Title 2, Agriculture Code, by adding Chapter 22, as follows:

#### **CHAPTER 22. AGRICULTURAL BIOMASS INCENTIVE PROGRAM**

Sec. 22.001. DEFINITION. Defines "qualified agricultural biomass."

Sec. 22.002. AGRICULTURAL BIOMASS GRANTS. (a) Requires the department of agriculture (department) to establish a program to make grants to farmers who provide agricultural biomass to facilities that convert biomass to energy to provide an incentive for the construction of facilities for that purpose to promote economic development, encourage the use of renewable sources in the production of energy, and reduce air pollution caused by the burning of agricultural biomass in the open fields.

(b) Sets forth the requirements for the facilities that qualify a farmer to receive a grant in the amount of \$10 for each green ton of qualified agricultural biomass provided by the farmer.

(c) Authorizes the commissioner of agriculture (commissioner), by rule, notwithstanding Subsection (b), to authorize the making of a grant for providing a green ton of a type or source of qualified agricultural biomass in an amount greater than the amount provided by that subsection if the commissioner determines that a grant in a greater amount is necessary to provide an adequate incentive to convert that type or source of qualified agricultural biomass to energy.

(d) Requires the Public Utility Commission of Texas (PUC) and the Texas Commission on Environmental Quality (TCEQ) to assist the department as necessary to enable the department to determine whether a facility meets the requirement of this section for purposes of eligibility of farmers for grants under this chapter.

(e) Requires a farmer, in order to receive a grant under this chapter, to file an application with the department on a form prescribed by the department.

Requires the form to require the farmer to provide the information necessary to determine whether the farmer is entitled to receive a grant and the amount of the grant to which the farmer is entitled.

(f) Requires the department to provide for the distribution of grant money under this chapter to eligible farmers. Requires grant money to be distributed to eligible farmers in the order in which applications for the grants are received. Requires the department to make grants not less often than quarterly, subject to appropriations.

Sec. 22.003. RULES. Requires the commissioner, in consultation with PUC and TCEQ, to adopt rules to implement this chapter.

SECTION 2. Requires the commissioner of agriculture, no later than December 1, 2005, in consultation with PUC and TCEQ, to adopt rules to implement Chapter 22, Agriculture Code, as added by this Act. Requires the department, no later than January 1, 2006, to be prepared to make grants under Chapter 22, Agriculture Code, as added by this Act, to farmers who provide qualified agricultural biomass to facilities that convert biomass to energy.

SECTION 3. Effective date: September 1, 2005.

By: Jackson S.B. No. 1102  
(In the Senate - Filed March 8, 2005; March 21, 2005, read first time and referred to Subcommittee on Agriculture and Coastal Resources; March 30, 2005, reported adversely, with favorable Committee Substitute to Committee on Natural Resources; April 5, 2005, reported adversely, with favorable Committee Substitute from Committee on Natural Resources by the following vote: Yeas 9, Nays 0; April 11, 2005, sent to printer.)

COMMITTEE SUBSTITUTE FOR S.B. No. 1102 By: Jackson

A BILL TO BE ENTITLED  
AN ACT

relating to the establishment of a program by the Department of Agriculture to make grants to farmers and diverters who provide agricultural biomass to facilities that convert biomass to electrical energy.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Title 2, Agriculture Code, is amended by adding Chapter 22 to read as follows:

CHAPTER 22. LANDFILL DIVERSION AND AGRICULTURAL BIOMASS  
INCENTIVE PROGRAM

Sec. 22.001. POLICY AND PURPOSE. It is the policy of this state and the purpose of this chapter to reduce air pollution from open-field burning and landfill operations and to improve air quality and protect public health through new incentives for biomass conversion facilities to convert to electrical energy certain agricultural residues, including urban and forest wood waste, that would otherwise be burned in open fields or be landfilled.

Sec. 22.002. DEFINITIONS. In this chapter:

(1) "Diverter":

(A) means:

(i) a person or facility that qualifies for exemption under Section 361.111 or 363.006, Health and Safety Code;

(ii) a handler of nonhazardous industrial waste that is registered or permitted under Chapter 361, Health and Safety Code; and

(iii) any facility that separates recyclable materials from a municipal solid waste stream and that is registered or permitted under Chapter 363, Health and Safety Code, as a municipal solid waste management facility; and

(B) does not include a biomass conversion facility.

(2) "Farmer" means the owner or operator of an agricultural facility which produces agricultural residues in the normal course of producing agricultural products.

(3) "Qualified agricultural biomass" means agricultural residues that are of a type that historically have been landfilled or that have been burned in open fields in the area from which they are derived and in fields and orchards that continue to be utilized for the production of agricultural goods, and includes:

(A) field and seed crop residues, including straws from rice and wheat;

(B) fruit and nut crop residues, including orchard and vineyard prunings and removals; and

(C) urban and forest wood products.

Sec. 22.003. GRANT PROGRAM. (a) The department shall develop and administer the landfill diversion and agricultural biomass incentive program to make grants to farmers and diverters who provide qualified agricultural biomass to facilities that convert biomass to electrical energy in order to provide an incentive for the construction of facilities for that purpose in order to:

2-1 (1) promote economic development;  
 2-2 (2) encourage the use of renewable sources in the  
 2-3 production of electrical energy; and  
 2-4 (3) reduce air pollution caused by the burning of  
 2-5 agricultural biomass in open fields.

2-6 (b) Subject to grant limitations under Section 22.005, a  
 2-7 farmer is entitled to receive a grant in the amount of \$30 per ton,  
 2-8 and a diverter is entitled to receive a grant in the amount of \$10  
 2-9 per ton, for each bone-dry ton of qualified agricultural biomass  
 2-10 provided by the farmer or diverter in a form suitable for biomass  
 2-11 conversion to a facility that:

2-12 (1) is located in this state;  
 2-13 (2) was constructed on or after June 30, 2006;  
 2-14 (3) converts qualified agricultural biomass to  
 2-15 electrical energy sold to a third party;  
 2-16 (4) uses the best available emissions control  
 2-17 technology, considering the technical practicability and economic  
 2-18 reasonableness of reducing or eliminating the air contaminant  
 2-19 emissions resulting from the facility;  
 2-20 (5) maintains its emissions control equipment in good  
 2-21 working order; and  
 2-22 (6) is in compliance with its operating permit issued  
 2-23 by the Texas Commission on Environmental Quality under Chapter 382,  
 2-24 Health and Safety Code.

2-25 (c) The commissioner by rule may authorize the making of a  
 2-26 grant for providing a bone-dry ton of a type or source of qualified  
 2-27 agricultural biomass in an amount that is greater than the amount  
 2-28 provided by Subsection (b) if the commissioner determines that a  
 2-29 grant in a greater amount is necessary to provide an adequate  
 2-30 incentive to convert that type or source of qualified agricultural  
 2-31 biomass to electrical energy.

2-32 (d) The Public Utility Commission of Texas and the Texas  
 2-33 Commission on Environmental Quality shall assist the department as  
 2-34 necessary to enable the department to determine whether a facility  
 2-35 meets the requirements of this section for purposes of the  
 2-36 eligibility of farmers and diverters for grants under this chapter.

2-37 (e) To receive a grant under this chapter, a farmer or  
 2-38 diverter must file an application with the department on a form  
 2-39 prescribed by the department. The form must require the farmer or  
 2-40 diverter to provide the information necessary to determine whether  
 2-41 the farmer or diverter is entitled to receive a grant and to  
 2-42 determine the amount of the grant to which the farmer or diverter is  
 2-43 entitled.

2-44 (f) The department shall provide for the distribution of  
 2-45 grant money under this chapter to eligible farmers and diverters.  
 2-46 Grant money must be distributed to eligible farmers and diverters  
 2-47 in the order in which applications for the grants are received. The  
 2-48 department shall make grants not less often than quarterly, subject  
 2-49 to appropriations.

2-50 (g) The department may contract with and provide for the  
 2-51 compensation of private consultants, contractors, and other  
 2-52 persons to administer the landfill diversion and agricultural  
 2-53 biomass incentive program.

2-54 Sec. 22.004. LANDFILL DIVERSION AND AGRICULTURAL BIOMASS  
 2-55 INCENTIVE PROGRAM ACCOUNT. (a) The landfill diversion and  
 2-56 agricultural biomass incentive program account is an account in the  
 2-57 general revenue fund. The account is composed of:

2-58 (1) legislative appropriations;  
 2-59 (2) gifts, grants, donations, and matching funds  
 2-60 received under Subsection (b); and  
 2-61 (3) other money required by law to be deposited in the  
 2-62 account.

2-63 (b) The department may solicit and accept gifts in kind,  
 2-64 donations, and grants of money from the federal government, local  
 2-65 governments, private corporations, or other persons to be used for  
 2-66 the purposes of this chapter.

2-67 (c) Money in the account may be appropriated to the  
 2-68 department only for the purpose of implementing and maintaining the  
 2-69 landfill diversion and agricultural biomass incentive program.



3-1       (d) Income from money in the account shall be credited to  
3-2 the account.

3-3       Sec. 22.005. LIMITATION ON GRANT AMOUNT. The department  
3-4 may grant no more than \$30 million each fiscal year under this  
3-5 chapter. Any unspent balance remaining in the landfill diversion  
3-6 and agricultural biomass incentive program account at the end of  
3-7 each fiscal year is available for grants made during subsequent  
3-8 years.

3-9       Sec. 22.006. LENGTH OF PROGRAM. The landfill diversion and  
3-10 agricultural biomass incentive program ends on August 31, 2020. On  
3-11 September 1, 2020, any funds remaining in the landfill diversion  
3-12 and agricultural biomass incentive program account shall be  
3-13 deposited in the general revenue fund.

3-14       Sec. 22.007. BIOMASS CONVERSION FACILITIES NOT ELIGIBLE.  
3-15 (a) Except as described under Subsection (b), a biomass conversion  
3-16 facility is not eligible to receive a grant under this chapter or  
3-17 under any other state law for the conversion of qualified  
3-18 agricultural biomass for which a farmer or diverter has received a  
3-19 grant under this chapter.

3-20       (b) A biomass conversion facility may receive a grant under  
3-21 this chapter for the conversion of qualified agricultural biomass  
3-22 which arrives at the facility in a form unsuitable for conversion  
3-23 and which the facility processes into a form suitable for  
3-24 conversion.

3-25       Sec. 22.008. RULES. The commissioner, in consultation with  
3-26 the Public Utility Commission of Texas and the Texas Commission on  
3-27 Environmental Quality, shall adopt rules to implement this chapter.

3-28       Sec. 22.009. AVAILABILITY OF FUNDS. Notwithstanding any  
3-29 other provision of this chapter, the department shall not be  
3-30 required to administer this chapter or promulgate rules under this  
3-31 chapter until funds are available for those purposes.

3-32       SECTION 2. This Act takes effect September 1, 2005.

3-33                   \* \* \* \* \*

FAVORABLY AS SUBSTITUTED  
SENATE COMMITTEE REPORT ON

SR SCR SJR SR HB HCR HJR 1102  
By Jackson  
(Author/Senate Sponsor)  
4/11/05  
(date)

We, your Committee on NATURAL RESOURCES, to which was referred the attached measure,  
have on 4/15/05, had the same under consideration and I am instructed to report it  
(date of hearing)  
back with the recommendation (s) that it:

- ☒ do pass as substituted, and be printed
  - ☐ the caption remained the same as original measure
  - ☒ the caption changed with adoption of the substitute
- ☐ do pass as substituted, and be ordered not printed
- ☒ and is recommended for placement on the Local and Uncontested Bills Calendar.

A fiscal note was requested. ☒ yes ☐ no  
A revised fiscal note was requested. ☒ yes ☐ no  
An actuarial analysis was requested. ☐ yes ☒ no  
Considered by subcommittee. ☒ yes ☐ no

The measure was reported from Committee by the following vote:

|                             | YEA                                 | NAY | ABSENT                              | PNV |
|-----------------------------|-------------------------------------|-----|-------------------------------------|-----|
| Senator Armbrister, Chair   | <input checked="" type="checkbox"/> |     |                                     |     |
| Senator Jackson, Vice-Chair | <input checked="" type="checkbox"/> |     |                                     |     |
| Senator Barrientos          | <input checked="" type="checkbox"/> |     |                                     |     |
| Senator Duncan              | <input checked="" type="checkbox"/> |     |                                     |     |
| Senator Estes               | <input checked="" type="checkbox"/> |     |                                     |     |
| Senator Fraser              | <input checked="" type="checkbox"/> |     |                                     |     |
| Senator Hinojosa            |                                     |     | <input checked="" type="checkbox"/> |     |
| Senator Lindsay             | <input checked="" type="checkbox"/> |     |                                     |     |
| Senator Madla               | <input checked="" type="checkbox"/> |     |                                     |     |
| Senator Seliger             | <input checked="" type="checkbox"/> |     |                                     |     |
| Senator Staples             |                                     |     | <input checked="" type="checkbox"/> |     |
| TOTAL VOTES                 | 9                                   | 0   | 2                                   | 0   |

COMMITTEE ACTION

S260 Considered in public hearing  
S270 Testimony taken  
Kelly Gilman COMMITTEE CLERK  
Karen Ambush CHAIRMAN

Paper clip the original and one copy of this signed form to the original bill along with TWO copies of the Committee Substitute  
Retain one copy of this form for Committee files

WITNESS LIST

SB 1102

SENATE COMMITTEE REPORT

S/C on Agriculture & Coastal Resources

March 30, 2005 - 3:00PM

FOR:       Brod, Bill Director, Market Development North America West (The AES Corporation),  
              Pasadena, TX  
              Hodges, Ken Legislative Director (Texas Farm Bureau), Austin, TX

## **BILL ANALYSIS**

Senate Research Center

C.S.S.B. 1102  
By: Jackson, Mike  
S/C on Agriculture & Coastal Resources  
4/7/2005  
Committee Report (Substituted)

### **AUTHOR'S/SPONSOR'S STATEMENT OF INTENT**

There is no current Texas law regarding agricultural biomass. This legislation allows for incentives that are currently not available to farmers which allow certain types of viable energy production. It addresses the need for additional methods of renewable energy and works to free more landfill space and improve air pollution.

C.S.S.B. 1102 establishes an incentive program for farmers or diverters who provide biomass to facilities that convert biomass to electrical energy. It gives farmers \$30 per bone-dry ton of biomass, and diverters \$10 per bone-dry tone that is suitable for use in generating energy.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the commissioner of agriculture in SECTION 1 (Sections 22.003 and 22.008, Agriculture Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Title 2, Agriculture Code, by adding Chapter 22, as follows:

#### **CHAPTER 22. LANDFILL DIVERSION AND AGRICULTURAL BIOMASS INCENTIVE PROGRAM**

Sec. 22.001. **POLICY AND PURPOSE.** Provides that it is the policy of this state and the purpose of this Chapter to reduce air-pollution from open-field burning and landfill operations and to improve air quality.

Sec. 22.002. **DEFINITIONS.** Defines "diverter," "farmer," and "qualified agricultural biomass."

Sec. 22.003. **GRANT PROGRAM.** (a) Requires the Department of Agriculture (department) to development [sic] and administer the landfill diversion and agricultural biomass incentive program to make grants to farmers and diverters who provide quality agricultural biomass to facilities that convert biomass to electrical energy in order to provide an incentive for the construction of facilities for that purpose to promote economic development, encourage the use of renewable sources in the production of electrical energy, and reduce air pollution caused by the burning of agricultural biomass in the open fields.

(b) Sets forth the requirements for the facilities that qualify a farmer to receive a grant in the amount of \$30 per ton, and a diverter to receive \$10 per ton, for each bone-dry ton of qualified agricultural biomass provided by the farmer or diverter in a form suitable for biomass conversion.

(c) Authorizes the commissioner of agriculture (commissioner), by rule, to authorize the making of a grant for providing a bone-dry ton of a type or source of qualified agricultural biomass in an amount greater than the amount provided by Subsection (b) if the commissioner determines that a grant in a greater amount is necessary to provide an adequate incentive to convert that type or source of qualified agricultural biomass to energy.

(d) Requires the Public Utility Commission of Texas (PUC) and the Texas Commission on Environmental Quality (TCEQ) to assist the department as necessary to enable the department to determine whether a facility meets the requirement of this section for purposes of eligibility of farmers for grants under this chapter.

(e) Requires a farmer or diverter, in order to receive a grant under this chapter, to file an application with the department on a form prescribed by the department. Requires the form to require the farmer or diverter to provide the information necessary to determine whether the farmer or diverter is entitled to receive a grant and the amount of the grant to which the farmer is entitled.

(f) Requires the department to provide for the distribution of grant money under this chapter to eligible farmers and diverters. Requires grant money to be distributed to eligible farmers and diverters in the order in which applications for the grants are received. Requires the department to make grants not less often than quarterly, subject to appropriations.

(g) Authorizes the department to contract with and provide for the compensation of private consultants, contractors, and other persons to administer the landfill diversion and agricultural biomass incentive program.

Sec. 22.004. LANDFILL DIVERSION AND AGRICULTURAL BIOMASS INCENTIVE PROGRAM ACCOUNT. (a) Provides that the landfill diversion and agricultural biomass incentive program account is an account in the general revenue fund. Sets forth the composition of the account.

(b) Authorizes the department to solicit and accept gifts in kind, donations, and grants of money from the federal government, local governments, private corporations, or other persons to be used for the purposes of this chapter.

(c) Authorizes money in the account to be appropriated to the department only for the purpose of implementing and maintaining the landfill diversion and agricultural biomass incentive program.

(d) Requires income from money in the account to be credited to the account.

Sec. 22.005. LIMITATION ON GRANT AMOUNT. Authorizes the department to grant no more than \$30 million each fiscal year under this chapter. Provides that any unspent balance remaining in the landfill diversion and agricultural biomass incentive program account at the end of each fiscal year is available for grants made during subsequent years.

Sec. 22.006. LENGTH OF PROGRAM. Provides that the landfill diversion and agricultural biomass incentive program ends on August 31, 2020. Requires any funds remaining in the landfill diversion and agricultural biomass incentive program account on September 1, 2020, to be deposited in the general revenue fund.

Sec. 22.007. BIOMASS CONVERSION FACILITIES NOT ELIGIBLE. (a) Provides that except as described under Subsection (b), a biomass conversion facility is not eligible to receive a grant under this chapter or under any other state law for the conversion of qualified agricultural biomass for which a farmer or diverter has received a grant under this chapter.

(b) Authorizes a biomass conversion facility to receive a grant under this chapter for the conversion of qualified agricultural biomass which arrives at the facility in a form unsuitable for conversion and which the facility processes into a form suitable for conversion.

Sec. 22.008. RULES. Requires the commissioner, in consultation with PUC and TCEQ, to adopt rules to implement this chapter.

Sec. 22.009. AVAILABILITY OF FUNDS. Prohibits the department, notwithstanding any other provision of this chapter, from being required to administer this chapter or promulgate rules under this chapter until funds are available for those purposes.

SECTION 2. Effective date: September 1, 2005.

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 6, 2005

TO: Honorable Mike Jackson, Chair, Senate Committee on S/C on Agriculture & Coastal Resources

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: **SB1102** by Jackson, Mike (Relating to the establishment of a program by the Department of Agriculture to make grants to farmers and diverters who provide agricultural biomass to facilities that convert biomass to electrical energy. ), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB1102. Committee Report 1st House, Substituted: a negative impact of (\$60,120,586) through the biennium ending August 31, 2007.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

| Fiscal Year | Probable Net Positive/(Negative)<br>Impact to General Revenue Related<br>Funds |
|-------------|--------------------------------------------------------------------------------|
| 2006        | (\$30,026,364)                                                                 |
| 2007        | (\$30,094,222)                                                                 |
| 2008        | (\$30,094,222)                                                                 |
| 2009        | (\$30,094,222)                                                                 |
| 2010        | (\$30,094,222)                                                                 |

**All Funds, Five-Year Impact:**

| Fiscal Year | Probable Savings/(Cost)<br>from<br>GENERAL REVENUE<br>FUND<br>1 | Probable Revenue Gain/<br>(Loss) from<br>New GR-Dedicated Landfill<br>Diversion and Agricultural<br>Biomass Incentive Program<br>Account | Probable Savings/(Cost)<br>from<br>New GR-Dedicated Landfill<br>Diversion and Agricultural<br>Biomass Incentive Program<br>Account |
|-------------|-----------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| 2006        | (\$30,026,364)                                                  | \$30,026,364                                                                                                                             | (\$30,026,364)                                                                                                                     |
| 2007        | (\$30,094,222)                                                  | \$30,094,222                                                                                                                             | (\$30,094,222)                                                                                                                     |
| 2008        | (\$30,094,222)                                                  | \$30,094,222                                                                                                                             | (\$30,094,222)                                                                                                                     |
| 2009        | (\$30,094,222)                                                  | \$30,094,222                                                                                                                             | (\$30,094,222)                                                                                                                     |
| 2010        | (\$30,094,222)                                                  | \$30,094,222                                                                                                                             | (\$30,094,222)                                                                                                                     |

**Fiscal Analysis**

The bill requires that the Texas Department of Agriculture (TDA) with the assistance of the Texas Commission on Environmental Quality (TCEQ) and the Public Utility Commission (PUC), establish an Agricultural Biomass Incentive Program to provide grants to farmers including foresters and diverters who provide agricultural biomass to facilities that convert biomass to energy.

This bill would entitle each farmer to \$30 per ton of agricultural biomass and each diverter to \$10 per

ton of agricultural biomass suitable for biomass conversion. This bill would authorize TDA to grant no more than \$30 million each fiscal year.

The bill would create a new General Revenue-Dedicated Account within the General Revenue Fund, the Landfill Diversion and Agricultural Biomass Incentive Program Account, which would consist of money transferred to the account at the direction of the Legislature, gifts, grants, donations and money from any other sources to be used by TDA to implement the incentive program.

### **Methodology**

Assuming an average load of 40 tons (the maximum load limit for non-permitted commercial transporters) and 12,500 loads (primarily urban and forest wood waste) being transported by farmers a year, the Department of Agriculture estimates that \$15 million would be granted to farmers, per fiscal year.

Assuming an average load of 40 tons (the maximum load limit for non-permitted commercial transporters) and 37,500 loads being transported by diverters per fiscal year, the Department of Agriculture estimates that \$15 million would be granted to diverters per fiscal year.

In order to implement the provisions of this bill TDA anticipates needing 0.5 FTEs in fiscal year 2006 for a total cost of \$26,364 and 2.0 FTEs in subsequent fiscal years for a total cost of \$94,222 per fiscal year.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 473 Public Utility Commission of Texas, 551 Department of Agriculture, 582 Commission on Environmental Quality

**LBB Staff:** JOB, WK, ZS, JF, TL



**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION**

**March 30, 2005**

**TO:** Honorable Mike Jackson, Chair, Senate Committee on S/C on Agriculture & Coastal Resources

**FROM:** John S. O'Brien, Deputy Director, Legislative Budget Board

**IN RE:** SB1102 by Jackson, Mike (Relating to the establishment of a program by the Department of Agriculture to make grants to farmers who provide agricultural biomass to facilities that convert biomass to energy.), **As Introduced**

|                                                                       |
|-----------------------------------------------------------------------|
| <b>No significant fiscal implication to the State is anticipated.</b> |
|-----------------------------------------------------------------------|

The bill requires that the Texas Department of Agriculture (TDA) with the assistance of the Texas Commission on Environmental Quality and the Public Utility Commission, establish an Agricultural Biomass Incentive Program to provide grants to farmers who provide agricultural biomass to facilities that convert biomass to energy. However, according to TDA, few if any farmers will be eligible for this grant program and consequently there will be no significant fiscal impact to the state.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 473 Public Utility Commission of Texas, 551 Department of Agriculture, 582 Commission on Environmental Quality

**LBB Staff:** JOB, WK, ZS, JF

# REQUEST FOR LOCAL & UNCONTESTED CALENDAR PLACEMENT

SENATOR CHRIS HARRIS, CHAIRMAN  
SENATE COMMITTEE ON ADMINISTRATION

Notice is hereby given that SB1102, by Jackson,  
(Bill No.) (Author/Sponsor)  
was heard by the Committee on Natural Resources on 5/4/5,  
2005,

and reported out with the recommendation that it be placed on the Local and Uncontested ~~Calendar~~.

Kelly C. Millett  
(Clerk of the reporting committee)

**IMPORTANT: A COPY OF THIS FORM MUST BE ATTACHED TO A COMMITTEE PRINTED VERSION OF THE BILL OR RESOLUTION AND SHOULD BE DELIVERED TO THE ADMINISTRATION COMMITTEE OFFICE, E1.714. DEADLINES FOR SUBMITTING BILLS AND RESOLUTIONS WILL BE ANNOUNCED ON A REGULAR BASIS.**

ADOPTED

28-1  
APR 29 2005

*Atty. Gen.*  
Secretary of the State

By: Jackson, Staples

Substitute the following for S.B. No. 1102:

By: *Jackson*

No. 1102

C.S.S.B. No. 1102

A BILL TO BE ENTITLED

AN ACT

relating to the establishment of a program by the Department of Agriculture to make grants to farmers and diverters who provide agricultural biomass to facilities that convert biomass to electrical energy.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Title 2, Agriculture Code, is amended by adding Chapter 22 to read as follows:

CHAPTER 22. LANDFILL DIVERSION AND AGRICULTURAL BIOMASS

INCENTIVE PROGRAM

Sec. 22.001. POLICY AND PURPOSE. It is the policy of this state and the purpose of this chapter to reduce air pollution from open-field burning and landfill operations and to improve air quality and protect public health through new incentives for biomass conversion facilities to convert to electrical energy certain agricultural residues, including urban and forest wood waste, that would otherwise be burned in open fields or be landfilled.

Sec. 22.002. DEFINITIONS. In this chapter:

(1) "Diverter":

(A) means:

(i) a person or facility that qualifies for exemption under Section 361.111 or 363.006, Health and Safety Code;

(ii) a handler of nonhazardous industrial

1 waste that is registered or permitted under Chapter 361, Health and  
2 Safety Code; and

3 (iii) any facility that separates  
4 recyclable materials from a municipal solid waste stream and that  
5 is registered or permitted under Chapter 363, Health and Safety  
6 Code, as a municipal solid waste management facility; and

7 (B) does not include a biomass conversion  
8 facility.

9 (2) "Farmer" means the owner or operator of an  
10 agricultural facility which produces agricultural residues in the  
11 normal course of producing agricultural products.

12 (3) "Qualified agricultural biomass" means  
13 agricultural residues that are of a type that historically have  
14 been landfilled or that have been burned in open fields in the area  
15 from which they are derived and in fields and orchards that continue  
16 to be utilized for the production of agricultural goods, and  
17 includes:

18 (A) field and seed crop residues, including  
19 straws from rice and wheat;

20 (B) fruit and nut crop residues, including  
21 orchard and vineyard prunings and removals; and

22 (C) urban and forest wood products.

23 Sec. 22.003. GRANT PROGRAM. (a) The department shall  
24 development and administer the landfill diversion and agricultural  
25 biomass incentive program to make grants to farmers and diverters  
26 who provide qualified agricultural biomass to facilities that  
27 convert biomass to electrical energy in order to provide an

incentive for the construction of facilities for that purpose in order to:

- (1) promote economic development;
- (2) encourage the use of renewable sources in the production of electrical energy; and
- (3) reduce air pollution caused by the burning of agricultural biomass in open fields.

(b) Subject to grant limitations under Section 22.005, a farmer is entitled to receive a grant in the amount of \$30 per ton, and a diverter is entitled to receive a grant in the amount of \$10 per ton, for each bone-dry ton of qualified agricultural biomass provided by the farmer or diverter in a form suitable for biomass conversion to a facility that:

- (1) is located in this state;
- (2) was constructed on or after June 30, 2006;
- (3) converts qualified agricultural biomass to electrical energy sold to a third party;
- (4) uses the best available emissions control technology, considering the technical practicability and economic reasonableness of reducing or eliminating the air contaminant emissions resulting from the facility;
- (5) maintains its emissions control equipment in good working order; and
- (6) is in compliance with its operating permit issued by the Texas Commission on Environmental Quality under Chapter 382, Health and Safety Code.

(c) The commissioner by rule may authorize the making of a

1 grant for providing a bone-dry ton of a type or source of qualified  
2 agricultural biomass in an amount that is greater than the amount  
3 provided by Subsection (b) if the commissioner determines that a  
4 grant in a greater amount is necessary to provide an adequate  
5 incentive to convert that type or source of qualified agricultural  
6 biomass to electrical energy.

7 (d) The Public Utility Commission of Texas and the Texas  
8 Commission on Environmental Quality shall assist the department as  
9 necessary to enable the department to determine whether a facility  
10 meets the requirements of this section for purposes of the  
11 eligibility of farmers and diverters for grants under this chapter.

12 (e) To receive a grant under this chapter, a farmer or  
13 diverter must file an application with the department on a form  
14 prescribed by the department. The form must require the farmer or  
15 diverter to provide the information necessary to determine whether  
16 the farmer or diverter is entitled to receive a grant and to  
17 determine the amount of the grant to which the farmer or diverter is  
18 entitled.

19 (f) The department shall provide for the distribution of  
20 grant money under this chapter to eligible farmers and diverters.  
21 Grant money must be distributed to eligible farmers and diverters  
22 in the order in which applications for the grants are received. The  
23 department shall make grants not less often than quarterly, subject  
24 to appropriations.

25 (g) The department may contract with and provide for the  
26 compensation of private consultants, contractors, and other  
27 persons to administer the landfill diversion and agricultural

1 biomass incentive program.

2 Sec. 22.004. LANDFILL DIVERSION AND AGRICULTURAL BIOMASS  
3 INCENTIVE PROGRAM ACCOUNT. (a) The landfill diversion and  
4 agricultural biomass incentive program account is an account in the  
5 general revenue fund. The account is composed of:

6 (1) legislative appropriations;

7 (2) gifts, grants, donations, and matching funds  
8 received under Subsection (b); and

9 (3) other money required by law to be deposited in the  
10 account.

11 (b) The department may solicit and accept gifts in kind,  
12 donations, and grants of money from the federal government, local  
13 governments, private corporations, or other persons to be used for  
14 the purposes of this chapter.

15 (c) Money in the account may be appropriated to the  
16 department only for the purpose of implementing and maintaining the  
17 landfill diversion and agricultural biomass incentive program.

18 (d) Income from money in the account shall be credited to  
19 the account.

20 Sec. 22.005. LIMITATION ON GRANT AMOUNT. The department  
21 may grant no more than \$30 million each fiscal year under this  
22 chapter. Any unspent balance remaining in the landfill diversion  
23 and agricultural biomass incentive program account at the end of  
24 each fiscal year is available for grants made during subsequent  
25 years.

26 Sec. 22.006. LENGTH OF PROGRAM. The landfill diversion and  
27 agricultural biomass incentive program ends on August 31, 2020. On

1 September 1, 2020, any funds remaining in the landfill diversion  
2 and agricultural biomass incentive program account shall be  
3 deposited in the general revenue fund.

4 Sec. 22.007. BIOMASS CONVERSION FACILITIES NOT ELIGIBLE.

5 (a) Except as described under Subsection (b), a biomass conversion  
6 facility is not eligible to receive a grant under this chapter or  
7 under any other state law for the conversion of qualified  
8 agricultural biomass for which a farmer or diverter has received a  
9 grant under this chapter.

10 (b) A biomass conversion facility may receive a grant under  
11 this chapter for the conversion of qualified agricultural biomass  
12 which arrives at the facility in a form unsuitable for conversion  
13 and which the facility processes into a form suitable for  
14 conversion.

15 Sec. 22.008. RULES. The commissioner, in consultation with  
16 the Public Utility Commission of Texas and the Texas Commission on  
17 Environmental Quality, shall adopt rules to implement this chapter.

18 Sec. 22.009. AVAILABILITY OF FUNDS. Notwithstanding any  
19 other provision of this chapter, the department shall not be  
20 required to administer this chapter or promulgate rules under this  
21 chapter until funds are available for those purposes.

22 SECTION 2. This Act takes effect September 1, 2005.



By: Jackson, Staples

S.B. No. 1102

A BILL TO BE ENTITLED

AN ACT

relating to the establishment of a program by the Department of Agriculture to make grants to farmers and diverters who provide agricultural biomass to facilities that convert biomass to electrical energy.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Title 2, Agriculture Code, is amended by adding Chapter 22 to read as follows:

CHAPTER 22. LANDFILL DIVERSION AND AGRICULTURAL BIOMASS  
INCENTIVE PROGRAM

Sec. 22.001. POLICY AND PURPOSE. It is the policy of this state and the purpose of this chapter to reduce air pollution from open-field burning and landfill operations and to improve air quality and protect public health through new incentives for biomass conversion facilities to convert to electrical energy certain agricultural residues, including urban and forest wood waste, that would otherwise be burned in open fields or be landfilled.

Sec. 22.002. DEFINITIONS. In this chapter:

(1) "Diverter":

(A) means:

(i) a person or facility that qualifies for exemption under Section 361.111 or 363.006, Health and Safety Code;

(ii) a handler of nonhazardous industrial

1 waste that is registered or permitted under Chapter 361, Health and  
2 Safety Code; and

3 (iii) any facility that separates  
4 recyclable materials from a municipal solid waste stream and that  
5 is registered or permitted under Chapter 363, Health and Safety  
6 Code, as a municipal solid waste management facility; and

7 (B) does not include a biomass conversion  
8 facility.

9 (2) "Farmer" means the owner or operator of an  
10 agricultural facility which produces agricultural residues in the  
11 normal course of producing agricultural products.

12 (3) "Qualified agricultural biomass" means  
13 agricultural residues that are of a type that historically have  
14 been landfilled or that have been burned in open fields in the area  
15 from which they are derived and in fields and orchards that continue  
16 to be utilized for the production of agricultural goods, and  
17 includes:

18 (A) field and seed crop residues, including  
19 straws from rice and wheat;

20 (B) fruit and nut crop residues, including  
21 orchard and vineyard prunings and removals; and

22 (C) urban and forest wood products.

23 Sec. 22.003. GRANT PROGRAM. (a) The department shall  
24 develop and administer the landfill diversion and agricultural  
25 biomass incentive program to make grants to farmers and diverters  
26 who provide qualified agricultural biomass to facilities that  
27 convert biomass to electrical energy in order to provide an

S.B. No. 1102

incentive for the construction of facilities for that purpose in order to:

- (1) promote economic development;
- (2) encourage the use of renewable sources in the production of electrical energy; and
- (3) reduce air pollution caused by the burning of agricultural biomass in open fields.

(b) Subject to grant limitations under Section 22.005, a farmer is entitled to receive a grant in the amount of \$30 per ton, and a diverter is entitled to receive a grant in the amount of \$10 per ton, for each bone-dry ton of qualified agricultural biomass provided by the farmer or diverter in a form suitable for biomass conversion to a facility that:

- (1) is located in this state;
- (2) was constructed on or after June 30, 2006;
- (3) converts qualified agricultural biomass to electrical energy sold to a third party;
- (4) uses the best available emissions control technology, considering the technical practicability and economic reasonableness of reducing or eliminating the air contaminant emissions resulting from the facility;
- (5) maintains its emissions control equipment in good working order; and
- (6) is in compliance with its operating permit issued by the Texas Commission on Environmental Quality under Chapter 382, Health and Safety Code.

(c) The commissioner by rule may authorize the making of a

S.B. No. 1102

1 grant for providing a bone-dry ton of a type or source of qualified  
2 agricultural biomass in an amount that is greater than the amount  
3 provided by Subsection (b) if the commissioner determines that a  
4 grant in a greater amount is necessary to provide an adequate  
5 incentive to convert that type or source of qualified agricultural  
6 biomass to electrical energy.

7 (d) The Public Utility Commission of Texas and the Texas  
8 Commission on Environmental Quality shall assist the department as  
9 necessary to enable the department to determine whether a facility  
10 meets the requirements of this section for purposes of the  
11 eligibility of farmers and diverters for grants under this chapter.

12 (e) To receive a grant under this chapter, a farmer or  
13 diverter must file an application with the department on a form  
14 prescribed by the department. The form must require the farmer or  
15 diverter to provide the information necessary to determine whether  
16 the farmer or diverter is entitled to receive a grant and to  
17 determine the amount of the grant to which the farmer or diverter is  
18 entitled.

19 (f) The department shall provide for the distribution of  
20 grant money under this chapter to eligible farmers and diverters.  
21 Grant money must be distributed to eligible farmers and diverters  
22 in the order in which applications for the grants are received. The  
23 department shall make grants not less often than quarterly, subject  
24 to appropriations.

25 (g) The department may contract with and provide for the  
26 compensation of private consultants, contractors, and other  
27 persons to administer the landfill diversion and agricultural

1 biomass incentive program.

2 Sec. 22.004. LANDFILL DIVERSION AND AGRICULTURAL BIOMASS  
3 INCENTIVE PROGRAM ACCOUNT. (a) The landfill diversion and  
4 agricultural biomass incentive program account is an account in the  
5 general revenue fund. The account is composed of:

6 (1) legislative appropriations;  
7 (2) gifts, grants, donations, and matching funds  
8 received under Subsection (b); and  
9 (3) other money required by law to be deposited in the  
10 account.

11 (b) The department may solicit and accept gifts in kind,  
12 donations, and grants of money from the federal government, local  
13 governments, private corporations, or other persons to be used for  
14 the purposes of this chapter.

15 (c) Money in the account may be appropriated to the  
16 department only for the purpose of implementing and maintaining the  
17 landfill diversion and agricultural biomass incentive program.

18 (d) Income from money in the account shall be credited to  
19 the account.

20 Sec. 22.005. LIMITATION ON GRANT AMOUNT. The department  
21 may grant no more than \$30 million each fiscal year under this  
22 chapter. Any unspent balance remaining in the landfill diversion  
23 and agricultural biomass incentive program account at the end of  
24 each fiscal year is available for grants made during subsequent  
25 years.

26 Sec. 22.006. LENGTH OF PROGRAM. The landfill diversion and  
27 agricultural biomass incentive program ends on August 31, 2020. On

1 September 1, 2020, any funds remaining in the landfill diversion  
2 and agricultural biomass incentive program account shall be  
3 deposited in the general revenue fund.

4 Sec. 22.007. BIOMASS CONVERSION FACILITIES NOT ELIGIBLE.

5 (a) Except as described under Subsection (b), a biomass conversion  
6 facility is not eligible to receive a grant under this chapter or  
7 under any other state law for the conversion of qualified  
8 agricultural biomass for which a farmer or diverter has received a  
9 grant under this chapter.

10 (b) A biomass conversion facility may receive a grant under  
11 this chapter for the conversion of qualified agricultural biomass  
12 which arrives at the facility in a form unsuitable for conversion  
13 and which the facility processes into a form suitable for  
14 conversion.

15 Sec. 22.008. RULES. The commissioner, in consultation with  
16 the Public Utility Commission of Texas and the Texas Commission on  
17 Environmental Quality, shall adopt rules to implement this chapter.

18 Sec. 22.009. AVAILABILITY OF FUNDS. Notwithstanding any  
19 other provision of this chapter, the department shall not be  
20 required to administer this chapter or promulgate rules under this  
21 chapter until funds are available for those purposes.

22 SECTION 2. This Act takes effect September 1, 2005.

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION**

**April 6, 2005**

**TO:** Honorable Mike Jackson, Chair, Senate Committee on S/C on Agriculture & Coastal Resources

**FROM:** John S. O'Brien, Deputy Director, Legislative Budget Board

**IN RE: SB1102** by Jackson, Mike (Relating to the establishment of a program by the Department of Agriculture to make grants to farmers and diverters who provide agricultural biomass to facilities that convert biomass to electrical energy. ), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB1102, Committee Report 1st House, Substituted: a negative impact of (\$60,120,586) through the biennium ending August 31, 2007.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

| <b>Fiscal Year</b> | <b>Probable Net Positive/(Negative)<br/>Impact to General Revenue Related<br/>Funds</b> |
|--------------------|-----------------------------------------------------------------------------------------|
| 2006               | (\$30,026,364)                                                                          |
| 2007               | (\$30,094,222)                                                                          |
| 2008               | (\$30,094,222)                                                                          |
| 2009               | (\$30,094,222)                                                                          |
| 2010               | (\$30,094,222)                                                                          |

**All Funds, Five-Year Impact:**

| <b>Fiscal Year</b> | <b>Probable Savings/(Cost)<br/>from<br/>GENERAL REVENUE<br/>FUND<br/>1</b> | <b>Probable Revenue Gain/<br/>(Loss) from<br/>New GR-Dedicated Landfill<br/>Diversion and Agricultural<br/>Biomass Incentive Program<br/>Account</b> | <b>Probable Savings/(Cost)<br/>from<br/>New GR-Dedicated Landfill<br/>Diversion and Agricultural<br/>Biomass Incentive Program<br/>Account</b> |
|--------------------|----------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|
| 2006               | (\$30,026,364)                                                             | \$30,026,364                                                                                                                                         | (\$30,026,364)                                                                                                                                 |
| 2007               | (\$30,094,222)                                                             | \$30,094,222                                                                                                                                         | (\$30,094,222)                                                                                                                                 |
| 2008               | (\$30,094,222)                                                             | \$30,094,222                                                                                                                                         | (\$30,094,222)                                                                                                                                 |
| 2009               | (\$30,094,222)                                                             | \$30,094,222                                                                                                                                         | (\$30,094,222)                                                                                                                                 |
| 2010               | (\$30,094,222)                                                             | \$30,094,222                                                                                                                                         | (\$30,094,222)                                                                                                                                 |

**Fiscal Analysis**

The bill requires that the Texas Department of Agriculture (TDA) with the assistance of the Texas Commission on Environmental Quality (TCEQ) and the Public Utility Commission (PUC), establish an Agricultural Biomass Incentive Program to provide grants to farmers including foresters and diverters who provide agricultural biomass to facilities that convert biomass to energy.

This bill would entitle each farmer to \$30 per ton of agricultural biomass and each diverter to \$10 per

ton of agricultural biomass suitable for biomass conversion. This bill would authorize TDA to grant no more than \$30 million each fiscal year.

The bill would create a new General Revenue-Dedicated Account within the General Revenue Fund, the Landfill Diversion and Agricultural Biomass Incentive Program Account, which would consist of money transferred to the account at the direction of the Legislature, gifts, grants, donations and money from any other sources to be used by TDA to implement the incentive program.

### **Methodology**

Assuming an average load of 40 tons (the maximum load limit for non-permitted commercial transporters) and 12,500 loads (primarily urban and forest wood waste) being transported by farmers a year, the Department of Agriculture estimates that \$15 million would be granted to farmers, per fiscal year.

Assuming an average load of 40 tons (the maximum load limit for non-permitted commercial transporters) and 37,500 loads being transported by diverters per fiscal year, the Department of Agriculture estimates that \$15 million would be granted to diverters per fiscal year.

In order to implement the provisions of this bill TDA anticipates needing 0.5 FTEs in fiscal year 2006 for a total cost of \$26,364 and 2.0 FTEs in subsequent fiscal years for a total cost of \$94,222 per fiscal year.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 473 Public Utility Commission of Texas, 551 Department of Agriculture, 582 Commission on Environmental Quality

**LBB Staff:** JOB, WK, ZS, JF, TL



**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION**

**March 30, 2005**

**TO:** Honorable Mike Jackson, Chair, Senate Committee on S/C on Agriculture & Coastal Resources

**FROM:** John S. O'Brien, Deputy Director, Legislative Budget Board

**IN RE:** SB1102 by Jackson, Mike (Relating to the establishment of a program by the Department of Agriculture to make grants to farmers who provide agricultural biomass to facilities that convert biomass to energy.), **As Introduced**

|                                                                       |
|-----------------------------------------------------------------------|
| <b>No significant fiscal implication to the State is anticipated.</b> |
|-----------------------------------------------------------------------|

The bill requires that the Texas Department of Agriculture (TDA) with the assistance of the Texas Commission on Environmental Quality and the Public Utility Commission, establish an Agricultural Biomass Incentive Program to provide grants to farmers who provide agricultural biomass to facilities that convert biomass to energy. However, according to TDA, few if any farmers will be eligible for this grant program and consequently there will be no significant fiscal impact to the state.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 473 Public Utility Commission of Texas, 551 Department of Agriculture, 582 Commission on Environmental Quality

**LBB Staff:** JOB, WK, ZS, JF

S.B. No. 1102

By

Mik Jack

A BILL TO BE ENTITLED

AN ACT:

relating to the establishment of a program by the Department of Agriculture to make grants to farmers who provide agricultural biomass to facilities that convert biomass to energy.

MAR 08 2005 Filed with the Secretary of the Senate SUBCOMMITTEE ON AGRICULTURE &  
MAR 21 2005 Read and referred to Committee on COASTAL RESOURCES  
Reported favorably \_\_\_\_\_  
APR 11 2005 Reported adversely, with favorable Committee Substitute; Committee Substitute read first time.  
Ordered not printed  
Laid before the Senate  
APR 29 2005 Senate and Constitutional Rules to permit consideration suspended by: { BY A VIVA VOCE VOTE  
unanimous consent  
\_\_\_\_\_ yeas, \_\_\_\_\_ nays  
APR 29 2005 Read second time, \_\_\_\_\_, and ordered engrossed by: { unanimous consent  
a viva voce vote  
\_\_\_\_\_ yeas, \_\_\_\_\_ nays  
APR 29 2005 Senate and Constitutional 3 Day Rule suspended by a vote of 27 yeas, 2 nays.  
APR 29 2005 Read third time, \_\_\_\_\_, and passed by: { A viva voce vote.  
28 yeas, 1 nays

Latey Spaw  
SECRETARY OF THE SENATE

OTHER ACTION:

April 29, 2005 Engrossed

May 2, 2005 Sent to House

Engrossing Clerk Mardi Cleland

MAY 02 2005 Received from the Senate  
MAY 03 2005 Read first time and referred to Committee on Agriculture and Livestock  
Reported \_\_\_\_\_ favorably (as amended) (as substituted)  
Sent to Committee on (Calendars) (Local & Consent Calendars)  
Read second time (comm. subst.) (amended); passed to third reading (failed) by a (non-record vote) (record vote of \_\_\_\_\_ yeas, \_\_\_\_\_ nays, \_\_\_\_\_ present, not voting)  
Constitutional rule requiring bills to be read on three several days suspended (failed to suspend) by a vote of \_\_\_\_\_ yeas, \_\_\_\_\_ nays, \_\_\_\_\_ present, not voting.  
Read third time (amended); finally passed (failed to pass) by a (non-record vote) (record vote of \_\_\_\_\_ yeas, \_\_\_\_\_ nays, \_\_\_\_\_ present, not voting)  
Returned to Senate.  
Returned from House without amendment.  
Returned from House with \_\_\_\_\_ amendments.  
Concurred in House amendments by a viva voce vote \_\_\_\_\_ yeas, \_\_\_\_\_ nays.

CHIEF CLERK OF THE HOUSE

\_\_\_\_\_ Refused to concur in House amendments and requested the appointment of a Conference Committee to adjust the differences.

\_\_\_\_\_ Senate conferees instructed.

\_\_\_\_\_ Senate conferees appointed: \_\_\_\_\_, Chairman; \_\_\_\_\_  
\_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_

\_\_\_\_\_ House granted Senate request. House conferees appointed: \_\_\_\_\_, Chairman;  
\_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_

\_\_\_\_\_ Conference Committee Report read and filed with the Secretary of the Senate.

\_\_\_\_\_ Conference Committee Report adopted on the part of the House by: \_\_\_\_\_

{ a viva voce vote  
\_\_\_\_\_ yeas, \_\_\_\_\_ nays

\_\_\_\_\_ Conference Committee Report adopted on the part of the Senate by:

{ a viva voce vote  
\_\_\_\_\_ yeas, \_\_\_\_\_ nays

**OTHER ACTION:**

\_\_\_\_\_ Recommitted to Conference Committee

\_\_\_\_\_ Conferees discharged.

\_\_\_\_\_ Conference Committee Report failed of adoption by: \_\_\_\_\_

{ a viva voce vote  
\_\_\_\_\_ yeas, \_\_\_\_\_ nays